

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2008-192-WS – ORDER NO. 2008-_____

August _____, 2008

IN RE:	Petition of the Office of Regulatory)	ORDER
	Staff for a Declaratory Order Against)	
	Seahorse Investment and/or Britt)	
	Gaston Requiring Certification as a)	
	Water and Sewer Utility and the)	
	Posting of a Performance Bond)	

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Petition of the Office of Regulatory Staff (ORS) for a Declaratory Order Against Seahorse Investment and/or Britt Gaston Requiring Certification as a Water and Sewer Utility and the Posting of a Performance Bond.

Seahorse Investments, LLC (Seahorse), the owner and operator of the property in question, a 66 unit mobile home park located at 7021 Stall Road, City of North Charleston, County of Charleston (the Property), claims operation as a submeterer of water and wastewater services, as recognized by Commission Order No. 2003-214. Property tenants receive water from and discharge wastewater to Charleston Water System. Seahorse owns the water and sewer pipes on the Property and is responsible for their repair and replacement. Seahorse has a system which separately meters the water usage of each tenant and which can turn water flow to any individual tenant on and off.

Charleston Water System bills Seahorse directly for all water usage of and sewerage from the Property on a monthly basis. Seahorse pays a third party to have its submeters read and bills the tenants, separately from monthly rent, based upon their usage as to the entire bill from Charleston Water System. Seahorse passes through the costs of water and sewer service to customers at cost and without mark-up. No additional charges are added for the cost of calculating, preparing, or sending the bills to tenants. Seahorse does not pass costs through to tenants in the water bills for maintenance and replacement of the Property's pipes. Seahorse does increase the charges to tenants consistent with rate increases received and billed by the Charleston Water System.

The Commission recognizes that many apartment complexes and mobile home parks may operate similar facilities, and the Commission takes note that holding an individual accountable for his or her water usage promotes conservation. A "public utility," subject to Commission regulation, "furnish[es] or suppl[ies] water, sewerage collection and sewerage disposal to the public ... for compensation." *S.C. Code Ann.* § 58-5-10(4) (Supp. 2007). "Activities of measuring the commodity and providing billing functions do not make submeterers 'public utilities' for purposes of regulation by th[e] Commission." Commission Order No. 2003-214. Based upon the foregoing, the Commission finds and holds:

1. In terms of billing for water usage, a submeterer not subject to Commission regulation may only pass through the billing from the public utility at cost and to each tenant based upon the tenant's actual water usage.
2. Pass through billing of repair and replacement costs for pipes, employment cost allocations, management functions and other items not set forth in Order Number 1 above, which

public utilities generally request inclusion for rate calculation purposes, extends beyond measuring and billing activities of submeterers not regulated by the Commission. Participation in and charge for such activities is reserved for “public utilities,” as defined in *S.C. Code Ann.* § 58-5-10(4) and regulated by the Commission.

3. Turning off water supply to individuals for failure to pay charges constitutes the “furnishing or supplying [of] water,” and entities/landlords doing same shall be deemed by the Commission to be public utilities, as said term is defined in *S.C. Code Ann.* § 58-5-10(4).

4. The transfer of the system from Bartlett Real Estate, Inc. to Seahorse and/or Britt Gaston is hereby approved.

5. Seahorse is ordered to operate in accord with the provisions of this Order and Order No. 2003-214.

6. This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:

Elizabeth B. Fleming, Chairman

ATTEST:

John E. Howard, Vice-Chairman

(SEAL)